

Approved For Release 2900/05/30 : CIA-RDP79-01048A099100020007-9 NAVY RESERVISTS Jan 1958

BASIC SOVIET FOREIGN POLICY

? Period open on any topic

Difficulty of distinguishing foreign and domestic

Embryo period thought would have relations only with proletariata.

Gradual emergency to reality of intelligence politics in 30s

Increasingly addressing relations to governments in classical sense rather than through parties.

Stress broad currents and period 1945-75

Expand on "historical epoch" attitude - Marg. Chase Smith

How Soviet Foreign policy is made

Stalin "interlude" - Quintets and Septets

Presidium with Groymko sitting in

Flexibility in execution novel and hard to say how much it is basic to policy

Whip saving of Molotov (cf Tucker thesis)

undamental assumptions as to internal developments.

Dynamics of growth

Education 100% through high school. Selection top flight scientists & engineers -- balance technicians toward stalled labor force

Forced Investment to overtake US-Machine tools 19 or 20 years

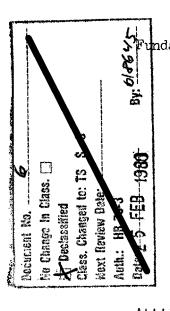
But continual if modest improvement in standard of living 48-57 up approximately 50% say 4% per year

Enough of a welfare state to have considerable sales appeal

Hence Stability and confidence provided no war.

Attitude toward war (major)

Clearly not an instrument of policy acceptable under present or foreseeable conditions. Approved For Release 2000/05/30: CIA-RDP79-01048A000100020007-9



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Historical analysis shows them terrible set backs of WW I and WW II. Mikoyan says cost them 15 years.

(Mao) Believe socialism has already won provided we don't throw it away by breaking the peace in the next 15 years.

Suslov at 40th Anniversary warned of necessity of keeping the peace.

Bellicose statements most often either inferiority complex or or desire to demonstrate won't be pushed around

But if war forced on them by direct attack or threat to really vital interests (which will mention below) prepared to battle even against heavy odds.

In such a case would be bulwalked by faith that desperately wounded world would have to adopt Communist-like system to recover.

Big debate on risking war by miscalculation in local situations

Their initiative vs. wests or just plain accident.

Crossing curves of scale of disaster vs. free world's reluctance to call bluffs or become involved

Consensus of Wash.—London thinking (from NTE)
That they will go further & further in local situations
confident that West will be increasingly deterred by growing
might of Soviets.

Real meaning of adventurism
Involvement in situations that are marginal (Syria, Yeman, Guatemala)
Risk crisis or loss of face (Egypt-& Suez excellent example)

Dangers in premature revolutions

Back to main thread - What point in expansion?

9/25 worlds people - most resources they need

Make system work as example
(Bulganin - if with 900 works o.k. will win, if won't work with 900, adding another 100 workt help.)

Intensively develop power base on lands now have

Sputnick diplomacy or Desire to be treated as equals to get over inferiority complex and get the dividends from having achieved technical

25X1A2g
Mao's
et als views.

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military parity - i.e. recognition of territorial status quo. and right to talk a deux to U.S.

Attitude toward chaos

Tempting targets for assassination foregone Diem, Hussein, Shah

cf. Kashmir

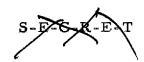
and Trijillo

Economic Aid & Trade

Economic advantage - end of antarchy - rational division of labor among states

Prestige and good name

Do not mix it up with subversion as we so frequently charge Soviet experts are such eschew politics and live inobtrusively



5. US and Bloc Foreign Aid.

In over-all terms the US aid program to underdeveloped countries of the Free World is substantially larger than that of the Sino-Soviet Bloc. Since the first Bloc aid was extended about 2-1/2 years ago, the countries in the Sino-Soviet Bloc have extended credits and grants for military and economic uses amounting to nearly \$1.9 billion. In comparison, aid by the US Government (including PL 480, MSP, and Ex-Im Bank) committed to the underdeveloped countries of the Free World during this period amounted to about \$8 billion. The US program also was broader in scope, with 50 underdeveloped countries receiving assistance compared with 17 underdeveloped countries receiving Bloc aid.

Appraisal in total terms alone, however, provides an inadequate basis for comparison of the two programs. In nearly all countries where the Sino-Soviet Bloc is competing with US aid programs, the Bloc is currently committed to larger amounts of aid than is the US. With the exception of Syria, all of the nine underdeveloped countries* which are the principal recipients of Bloc aid also have been receiving funds from the US. These 9 countries have received credits or grants from the Sino-Soviet Bloc amounting to about \$1.8 billion during the last 2-1/2 years. Over the same period, about \$1 billion in assistance of all types was received from the US on a governmental basis. Although exact comparisons are not available, it is estimated that Bloc technical personnel in these 9 countries number more than 2,000 compared with less than 1,000 under programs financed by the US Government.

One characteristic of the Bloc aid program worthy of note is its independence from military pacts. The contrast with the US is quite apparent: the bulk of US aid to underdeveloped countries goes to those with which the US is allied in military pacts, but no underdeveloped country receiving Bloc assistance is a member of a Bloc military alliance.

S.Z.-C.-X-E-T

^{*} Afghanistan, Burma, Cambodia, Ceylon, Egypt, India, Indonesia, Syria, and Yugoslavia.

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Relations with Red China

True partnership

Extensive aid - toughly bargained

Little evidence of rivalry in NK & NVN

Little sense of past injustice --religious factor

What of the future -

Hopes & fears

Empty lands

Is Russia trying to keep China isolated

Policy toward Satellites

Foreign in Soviet eyes - despite enslavement as we see it

Minimum requirements (remain communist stay in bloc)
Poland vs. Hungary

Economic drain vs. gain - \$1 1/3 billion in credits and grants poured in in last year

Fear of Germany

Basic European Policy

Finnland - Austria

Get US out - why

Middle East

Elementary geographical fact - feels its leverage should replace UK and France's and not let US block it out. At minimum be recognized as one of big 4.

Desire for warm water port?

Oil -no

Strangle W. Europe, doubt it

Arab Israeli conflict.

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Africa - doubt too deep involvement too early. Will play on Nationalism and anti-colonialism rather than try to establish real base of power, but Yemen-Somalia danger area & carrier vons(?).

India & Indonesia

2d 5-year plan

15 years of patience before Aidit & Co. try takeover

Concepts of the U.S.

Vital factor -but very difficult - Kremlin clearly split on this.

Showing more realism - But if recession deepens dogmatists will crow we told you so and K may be tempted to rashness

Attitude toward exchanges - opening up

Nonsense of trying to make US spend ourselves to death.

Attitude toward disarmament

- 1) Good propaganda gist (Soviet is strong but peaceable)
- 2) Also would help avoid hostilities

Save costs --

Inspection not bugaboolit would have been in Stalin's day.

3) Get US out of peripheral bases.

Unilateral disarmament - demobilization - not all real but enought so to be highly significant.

Air transports rather than bombers.

US attitude of to Max Lenin's statement about exaggeration always attributed by our ancestors to the Indians.

Lets not underestimate our enemyaby the intangibles as we have in the tangibles by overestimating his malevolence. Danger of confusing his inhumanity with subhuman attainments.

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Military Strengths

Impressive but not currently threatening.

Within this year achieving Nuclear "Enoughness"

Delivery - capabilities

Heavy Bombers reval ours in numbers & performance Medium jets 1/3d but no bases near
Hence, punch is one shot - one-way - but we can't discount their willingness to execute if forced

But theirs is not a war or pre war economy

14% GMP to defense of our 11%

Gives them roughly same hardware

Really cutting back numbers of men in arms

Need for manpower in production not doing Squats right

New have same % pop under arms as we

Next spring may well be down to 2.5 - disarm negots.

Military Policy

Chances of their initiating all-out global war negligible

Doing too well in peaceful camp

No desire to risk all they've built up in nuclear haulocaust - Defenses still weak

Moreover, hardly more likelihood of their starting Korea or even smaller bush fire.

Since '53 have liquidated Korea & IC

Recently Pathet Lao & IC have shown they want to put quieters on even possibility of bush fires.

As Bulganin said in private conversation - system with 900 million would succeed or fail and addition of another 100 million no gain.

We have tended to think too much in terms of the Acreage of Power. They (Russia & China) convinced intensive increments to power from development own lands are what counts rather than extensions areawise.

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- (Matsu & Quemoy exceptions because regarded as purely internal police affair by Chicoms) as we would the suppression of a Communist regime on Nantucket & Martha's Vineyard.
- While ready to pick up by revolution or subversion any tottering free world country, promoting disintegration and revolution not uppermost in their minds, CP of India has orders to help make India Economic program work not obstruct it.
- They are concentrating on a classical tough power drive comparable to the Real politik of Imperial Germany or the commercial expansion of Victorian Britain or the U.S.
 - First make themselves No 1. industrial power
 - Second set contagious example for the underdeveloped nations that theirs is the short cut to plenty
 - Third demonstrate even to firmly independent, even capitalistic countries that their foreign trade policies more advantageous than those of U.S. (Long-term commitments no strings, buying agriculture surplus even when don't need. Low interest soft loans.)
- This long range policy developed in the years after Stalin's death and promulgated last spring at 20th Party Congress.
- Based on unshakable confidence that they have the solution to the complex technological, sociological problems of 2d half 20th Century.
- That their system of <u>direction</u> downward by a self perpetuating elite carefully replenished by a massive educational program.can outstrip our system of <u>control upward</u> by free men speaking through the ballot box and the market place.
- That is nature of the challenge more subtle and more difficult to cope with than overt aggression.
- It will take all the genius energy and self denial a great free people possess to counter and turn back this challenge. The measures we should take

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are not my business - but to recognize the nature and magnitude of the threat is the duty of everyone who occupies a position of position of responsibility in our society.